



Pre-Solicitation Announcement

Indiana to Solicit Proposals for Third Party Administrator – Multiyear Natural Gas DSM Program

Through a competitive solicitation, the Vectren Energy Efficiency Oversight Board will select a Third-Party Administrator to plan and manage a four-year, multi-million dollar natural gas Demand Side Management (DSM) program that will serve the Residential and General Service customers in the Vectren Energy Delivery of Indiana, Inc. (VEDI) service territory. A Request for Proposals (RfP) for will be issued in Spring 2007.

Private firms, non-profit organizations, and others wishing to receive the RfP should send an e-mail to JHarris@ase.org with the words “Indiana RFP Bidders List” in the subject-line, or call Jeff Harris at 202-530-2243.

Background

The organization or team selected as Third-Party Administrator will manage natural gas DSM programs under contract to VEDI. The contract will begin in Fall 2007 and continue for a total of four years, with an annual budget up to \$4.5 with increases up to \$5.9 million over the four year span depending on program results.

This program represents Phase 2 of a settlement agreement reached in 2006 between VEDI and the Indiana Office of Utility Consumer Counselor (OUCC), and subsequently approved by the Indiana Utility Regulatory Commission (IURC). The Vectren Energy Efficiency Oversight Board is responsible for overall program guidance and for selecting and overseeing the Third-Party Administrator. The Oversight Board includes representatives from three voting members, VEDI, the OUCC and IURC staff. Non-voting advisory members represent the Alliance to Save Energy, the Energy Center at Purdue University, and the Indiana Office of Energy and Defense Development.

Currently, Vectren Energy is administering Phase 1 of the DSM portfolio, including:

- residential appliance rebates for new construction and existing homes;
- commercial rebates for space heat, water heating and food service equipment;
- on-line residential and commercial energy audits and bill analyzers;
- weatherization programs for low-income and non-profit organizations; and
- funding for NEED (National Energy Education Development) to provide energy-related curricula, facility audits, and kits for Indiana schools.

These programs are just the beginning of a four-year program which is expected to evolve and continuously improve based on project experience and evaluation data provided by the Administrator.

Vectren Energy Delivery of Indiana

Serving 665,000 natural gas customers in 57 counties in the central, southeastern, and southwestern parts of the state. Learn more at www.vectren.com

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